11/7/80

S 5040-1
Reno Area

NEVADA —

JOB SERVICE

NEVADA EMPLOYMENT SECURITY DEPARTMENT

ECONOMIC UPDATE

ROBERT LIST
Governor

ECONOMY IN BRIEF

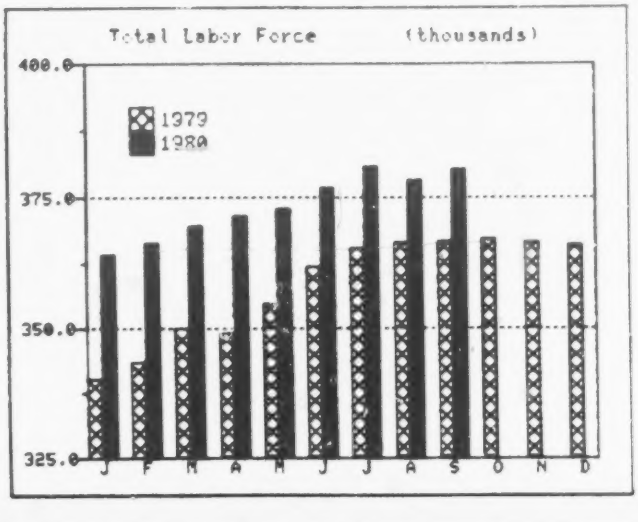
LAWRENCE O. McCRACKEN
Executive Director

SEPTEMBER 1980

The seasonally adjusted rate of unemployment for Nevada during September 1980 increased slightly to 7.0 percent from its August level of 6.9 percent. In contrast, the unemployment rate for the Nation declined slightly from 7.6 percent in August to a September estimate of 7.5 percent. On a geographical basis, the Las Vegas area experienced a slight rate decline from 8.1 percent in August to 8.0 percent in September. The Balance of State composite area held at 6.0 percent for the third consecutive month. Meanwhile, the jobless rate for the Reno area indicated an increase of one-half of one percentage point to a level of 5.5 percent.

During September 1980, 5,100 new jobs were added to the state's economy as the establishment-based industrial employment level reached 407,900 jobs. All but two industrial sectors performed better than expected for the month, however, these two industries - transportation/public utilities and finance/insurance/real estate performed close to anticipations. The government sector led all industries with an over-the-month growth in employment of 3,000, a result of the re-opening of the educational institutions. The opening of several large retail stores and markets in Clark County resulted in a job gain of 1,100 in the trade industry. The hotel/gaming/recreation portion of the services industry also reported an increase of jobs as the expansions of major casinos are being completed. Further, the end of several labor management disputes resulted in employment gains in the construction and manufacturing industries.

Total establishment-based industrial employment experienced job gains of 13,600 during the past year, resulting in a growth rate of 3.4 percent. All industries of the State reported employment gains except for contract construction and manufacturing which absorbed job losses of 4,900 and 100 respectively. The services and trade industries accounted for over 95 percent of these newly created jobs.



NEVADA LABOR FORCE SUMMARY
(estimates in thousands)

INDICATOR	SEP 80	SEP 79	Change	% Change	AUG 80
TOTAL LABOR FORCE	380.0	366.6	13.4	3.7%	378.0
Unemployment	24.4	17.6	6.8	38.6%	23.7
Unemployment Rate	6.4%	4.8%	--	--	6.3%
Unemp. Rate (Seasonally Adjusted)	7.0%	5.3%	--	--	6.9%
Total Employment 1/	355.4	348.9	6.5	1.9%	353.4
Nonagricultural Employment	349.6	343.1	6.5	1.9%	346.3
Agricultural Employment	5.8	5.8	0	0	7.1
Persons Involved in Work Stoppages	.2	.1	--	--	.9

1/ Adjusted by census relationships to reflect number of persons by place of residence.

ESTABLISHMENT BASED INDUSTRIAL EMPLOYMENT 2/
(estimates in thousands)

	SEP 80	SEP 79	Change	% Change	AUG 80
TOTAL ALL INDUSTRIES	407.9	394.3	13.6	3.4%	402.8
MINING	6.4	4.9	1.5	30.6	6.2
Metal Mining	3.6	2.5	1.1	44.0	3.5
CONSTRUCTION	24.2	29.1	- 4.9	-16.8	23.7
MANUFACTURING	19.8	19.9	- .1	- .1	19.3
Durable Goods	13.5	13.6	- .1	- .7	13.1
Stone, Clay & Glass Products	2.2	2.3	- .1	- 4.3	2.1
Primary Metal Industries	1.6	1.6	0	0	1.4
Nondurable Goods	6.3	6.3	0	0	6.2
Food Products	1.6	1.6	0	0	1.6
Printing & Publishing	3.0	3.0	0	0	3.0
Chemicals	.9	.9	0	0	.9
TRANSPORTATION & PUBLIC UTILITIES	25.0	23.5	1.5	6.4	25.1
Transportation	13.7	12.9	.8	6.2	13.8
Railroad	1.6	1.6	0	0	1.6
Trucking & Warehousing	3.9	3.5	.4	11.4	3.9
Air	3.5	3.3	.2	6.1	3.5
Public Utilities	11.3	10.6	.7	6.6	11.3
TRADE	83.4	79.7	3.7	4.6	82.3
Wholesale	13.5	13.1	.4	3.1	13.4
Retail	69.9	66.6	3.3	5.0	68.9
General Merchandise & Apparel	14.8	14.1	.7	5.0	14.2
Food Stores	9.7	9.0	.7	7.8	9.6
Auto Dealers & Service Stations	8.7	8.8	- .1	- 1.1	8.7
Eating & Drinking Places	22.4	21.1	1.3	6.2	22.2
FINANCE, INSURANCE, REAL ESTATE	17.6	17.1	.5	2.9	17.7
Finance	7.7	7.5	.2	2.7	7.7
SERVICE INDUSTRIES	174.2	164.8	9.4	5.7	174.2
Hotels, Gaming & Recreation	120.8	114.4	6.4	5.6	120.5
Personal	5.2	5.0	.2	4.0	5.3
Business	14.9	13.9	1.0	7.2	14.9
Medical & Health	12.5	11.5	1.0	8.7	12.5
GOVERNMENT	57.3	55.3	2.0	3.6	54.3
Federal	10.4	10.2	.2	2.0	10.6
State & Local	46.9	45.1	1.8	4.0	43.7
Education-State & Local	19.4	19.0	.4	2.1	15.3

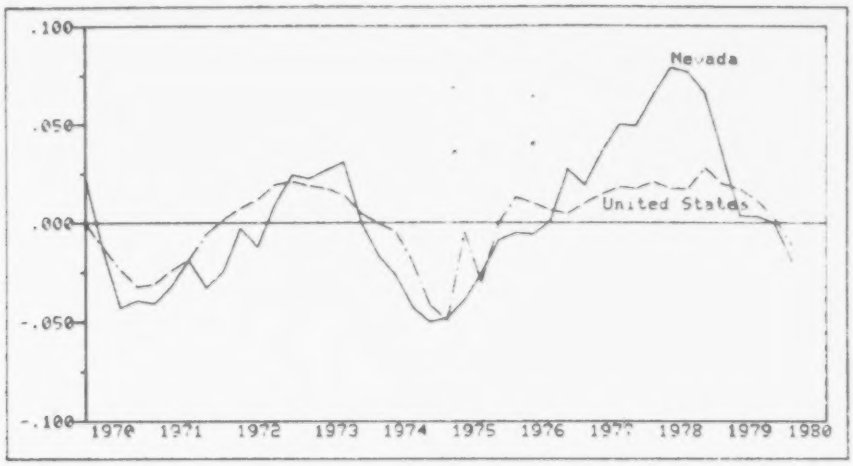
2/ Reflects employment by place of work. Does not necessarily coincide with labor force concept. Includes multiple job holders.

Cyclical Employment Trends
Nevada - United States

by

Zina Turney, Labor Economist

Extensive controversy has occurred during the past as to the relationship of the Nation's economic turning points to that of Nevada. Although wage and salary employment is only one of many economic indicators, the following graph demonstrates the timing and severity of national downturn and recovery periods as compared to Nevada's economic performance.



Average industrial-based employment was computed for each quarter from the first quarter of 1969 through the second quarter of 1980 for both the Nation and Nevada. Each quarter was then compared to the same quarter during the preceding year to determine the percentage change. This procedure eliminates the need for seasonal adjustment of the series being analyzed. A compounded growth rate was computed for both economies during the 42 quarters. Whereas the national rate was 2.45 percent per year for this period, Nevada grew at the much faster rate of 6.84 percent. To track the cyclical pattern for the two areas, the year-over-year quarterly changes were compared to the annual average growth rate. When the lines on the graph fall below zero, it indicates growth in jobs fell below the compounded growth rates. As expected, Nevada shows a wider variation from the average growth than the Nation. However, when using this relative comparison of the two economies, it is interesting to note that the cyclical trends are very similar.

During the 1974-75 recessionary period, both economies showed that the growth in jobs fell below the average growth during the second quarter of 1974. Nevada reached the trough in employment growth during the first quarter of 1975 whereas the Nation lagged by one quarter. However, the Nation recovered to the average growth rate by the first quarter of 1976 which was two quarters before the Nevada recovery period. Nevada rebounded with an exceptional growth rate of 14 percent during 1978 as compared to a 4 to 5 percent growth rate nationally. The recessionary cycle during 1980 became evident in Nevada during the first quarter, while the Nation fell below average in the second quarter.

Although the industrial composition and corresponding growth rates between Nevada and the Nation differ drastically, the two economies show similar cyclical movements in employment.

ALL URBAN U. S. CONSUMER PRICE INDEX (1967 = 100)			U. S. UNEMPLOYMENT RATE Seasonally Adjusted		
AUG 80	AUG 79	JUL 80	SEP 80	SEP 79	AUG 80
249.4	221.1	247.8	7.5%	5.8%	7.6%

LABOR TURNOVER RATES IN MINING AND MANUFACTURING
(Per 100 Employees)

	MINING			MANUFACTURING		
	AUG 80	AUG 79	JUL 80	AUG 80	AUG 79	JUL 80
ACCESSION RATES						
TOTAL ACCESSIONS	5.7	12.3	3.6	7.0	9.2	6.5
New Hires	5.5	6.2	3.4	6.3	8.8	5.2
Recalls	0.2	5.9	0.2	0.6	0.2	1.3
SEPARATION RATES						
TOTAL SEPARATIONS	10.5	8.0	4.0	9.4	10.9	8.6
Quits	8.7	6.7	3.3	5.4	7.6	6.4
Discharges	1.2	0.5	0.3	1.4	1.2	1.1
Lay-offs	0.4	0.2	0.0	2.5	1.4	0.9
Military & Miscellaneous	0.2	0.6	0.4	0.1	0.7	0.2

AVERAGE HOURS AND EARNINGS IN SELECTED INDUSTRIES IN NEVADA

	AVERAGE WEEKLY EARNINGS			AVERAGE WEEKLY HOURS			AVERAGE HOURLY EARNINGS		
	SEP 1980	SEP 1979	AUG 1980	SEP 1980	SEP 1979	AUG 1980	SEP 1980	SEP 1979	AUG 1980
MINING	368.83	355.28	346.75	38.5	43.7	36.5	9.58	8.13	9.50
CONSTRUCTION	503.39	498.85	491.32	35.4	37.2	34.6	14.22	13.41	14.20
MANUFACTURING	305.75	271.35	313.29	38.9	39.1	38.3	7.86	6.94	8.18
Durable Goods	333.68	282.98	334.62	40.3	39.8	39.0	8.28	7.11	8.58
Stone, Clay & Glass	360.53	334.13	356.00	40.6	40.5	39.6	8.88	8.25	8.99
Primary Metals	477.24	407.00	496.08	41.9	40.7	36.0	11.39	10.00	13.78
Nondurable Goods	255.16	250.61	271.21	36.4	37.8	37.0	7.01	6.63	7.33
Printing & Publishing	222.76	227.77	236.98	33.7	35.7	34.0	6.61	6.38	6.97
PUBLIC UTILITIES	329.64	315.61	346.88	41.0	39.8	42.2	8.04	7.93	8.22
TRADE	228.15	211.88	234.96	33.8	33.9	34.3	6.75	6.25	6.85

PREPARED BY THE EMPLOYMENT SECURITY RESEARCH SECTION TELEPHONE 885-4550
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